

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MANAMA 00223 260922Z  
ACTION NEA-10

INFO OCT-02 EUR-12 ISO-00 SP-02 AID-05 EB-08 TRSE-00  
SS-15 STR-06 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03  
INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01  
DODE-00 NSCE-00 SSO-00 USIE-00 INRE-00 ABF-01  
FS-01 /083 W

-----025090 260927Z /21

O P 260900Z JAN 78  
FM AMEMBASSY MANAMA  
TO SECSTATE WASHDC IMMEDIATE 5701  
INFO AMEMBASSY ABU DHABI PRIORITY  
AMEMBASSY ATHENS PRIORITY  
USINT BAGHDAD PRIORITY  
AMCONSUL DHAHRAN PRIORITY  
AMEMBASSY DOHA PRIORITY  
AMEMBASSY JIDDA PRIORITY  
AMEMBASSY KUWAIT PRIORITY  
AMEMBASSY MUSCAT PRIORITY  
AMEMBASSY PARIS PRIORITY

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PARIS PASS RFC

E.O. 11652: N/A  
TAGS: EFIN, BA, TC, QA  
SUBJECT: REVALUATION RUMORS

REF: MANAMA 211 (NOTAL), DOHA 117

1. FOREIGN EXCHANGE TRANSACTIONS REMAIN SUSPENDED IN BAHRAIN  
WITH NOTHING BUT RUMORS AMONG BANKING COMMUNITY. EMBASSY HAS  
BEEN UNABLE TO SECURE CLARIFICATION FROM BAHRAIN MONETARY  
AGENCY. U.S. BANKERS IN MANAMA NOW BELIEVE SOME ANNOUNCE-  
MENT OF REVALUATION LIKELY EARLY SATURDAY MORNING LOCAL  
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TIME WHICH WOULD PERMIT THE WEEK'S OPENING HERE BUT  
CATCH THE WEEKEND IN EUROPEAN MARKETS. BANKERS NOW  
BELIEVE THAT RUMOR OF 10-12 PERCENT REVALUATION AGAINST  
THE DOLLAR REPORTED IN MANAMA REFTEL WAS WORST-CASE  
ESTIMATE. CURRENT GUESSING IS NOW AT 3-5 PERCENT REPORTED  
IN DOHA REFTEL.

2. EMBASSY UNDERSTANDS THAT REASON FOR SUDDEN SUSPENSION  
OF FX TRADING BEFORE MONETARY AUTHORITIES WERE READY TO  
MAKE ANNOUNCEMENT WAS THAT ONE OF MAJOR COMMERCIAL ON-SHORE  
BANKS IN BAHRAIN SUDDENLY BEGAN ACCUMULATING LARGE  
AMOUNT OF BAHRAIN DINARS FOR DOLLARS. BMA SUSPENDED TRADING

IN DOLLARS TO AVOID MI I-PANIC IN MARKET AND QATAR AND UAE  
HAD TO FOLLOW.

3. AMERICAN EXPRESS REPORTS WORD FROM ITS OFFICE IN DUBAI  
THAT TRADING IN DOLLARS IN UAE IS ALSO OFFICIALLY SUSPENDED.  
CLUVE  
IUS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REVALUATIONS, ALLEGATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978MANAMA00223  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780038-1147  
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**Message ID:** 474209e0-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 MANAMA 211, 78 DOHA 117  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3710714  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** REVALUATION RUMORS  
**TAGS:** EFIN, BA, TC, QA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/474209e0-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
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